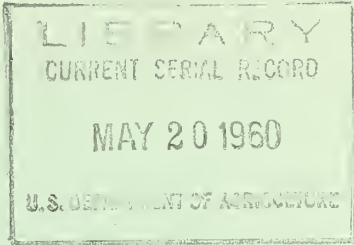


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Proceedings of the



Second National
Conference on

FRUIT AND VEGETABLE BARGAINING COOPERATIVES

Shamrock Hilton Hotel
Houston, Texas
January 4 and 5, 1958

United States Department of Agriculture
Farmer Cooperative Service
Washington 25, D. C.

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INTRODUCTION

This is a report of the proceedings of the Second National Conference on Fruit and Vegetable Bargaining Cooperatives, held at the Shamrock Hilton Hotel, Houston, Tex., on January 4 and 5, 1958.

As with the 1957 conference in Chicago, the purpose of this conference was to provide a forum for the discussion of mutual problems and to encourage the exchange of ideas to help bargaining cooperatives more effectively meet growers' needs.

Again at the request of various fruit and vegetable bargaining cooperatives this conference was arranged and conducted by the Farmer Cooperative Service, U. S. Department of Agriculture.

A total of 54 persons attended all or a part of the conference. This included 13 persons representing 7 fruit and vegetable bargaining cooperatives; 11 from 10 other cooperatives; 7 from 5 land-grant colleges; 10 from 4 State councils of cooperatives and 3 national cooperative organizations; 8 from the U. S. Department of Agriculture; and 5 others.

These proceedings include speeches presented at the conference, highlights of discussion periods, a list of participants, a resolution adopted at the close of the conference, and a list of fruit and vegetable bargaining cooperatives as of January 1, 1958. The views expressed are those of the participants and are not necessarily those of the Farmer Cooperative Service.

Additional copies of these proceedings -- in limited quantities -- may be obtained from the Fruit and Vegetable Branch, Farmer Cooperative Service, U. S. Department of Agriculture, Washington 25, D. C. A limited number of copies of the proceedings of the 1957 conference are also available from the same source.

PROGRAM

Saturday, January 4

12 noon - 2:00 p.m. Luncheon Grecian Room

Chairman Joseph G. Knapp, Administrator
Farmer Cooperative Service, USDA

Words of Welcome - Kit H. Haynes, Director of Information
National Council of Farmer Cooperatives
Washington, D. C.

The National Picture on Fruit and Vegetable Bargaining Cooperatives
Wendell M. McMillan, Agricultural Economist
Marketing Division
Farmer Cooperative Service, USDA

2:00 - 5:30 p.m. First Afternoon Session Nile Room

Chairman J. Kenneth Samuels, Director
Marketing Division
Farmer Cooperative Service, USDA

Review of Recent Developments in: Bargaining
National Council of Farmer Cooperatives Bargaining Division
Cameron Girton, Manager
California Canning Pear Association, Inc.
San Francisco, Calif.

American Farm Bureau Federation Activities
J. S. Vandemark, Assistant Commodity Director
American Farm Bureau Federation
Chicago, Ill.

West Coast Bargaining Changes
C. J. Telford, Manager
California Freestone Peach Association, Inc.
Modesto, Calif.

Discussion

Case Problem: A panel of "experts" examines the problems of Oregon
berry growers forming a bargaining cooperative

Statement of the Problem
Roland H. Groder, F&V Marketing Specialist
Oregon State College
Corvallis, Oreg.

Statement of the "Experts"
G. Alvin Carpenter, Extension Economist
University of California
Berkeley, Calif.

Einer Knutzen, President.
Northwest Washington Farm Crops Association, Inc.
Mount Vernon, Wash.

A. W. Matthews, Acting Secretary-Manager.
Cannery Growers, Inc.
Maumee, Ohio

C. J. Telford, Manager
California Freestone Peach Association, Inc.
Modesto, California

Discussion

Opportunities and Responsibilities of Bargaining Cooperatives
J. Kenneth Stern, President
American Institute of Cooperation
Washington, D. C.

Sunday, January 5

2:00 - 5:30 p.m. Second Afternoon Session Nile Room

Chairman Joseph G. Knapp, Administrator
Farmer Cooperative Service, USDA

Future Problems of Fruit Bargaining Cooperatives
Ralph B. Bunje, Manager
California Canning Peach Association, Inc.
San Francisco, Calif.

Discussion

Panel: Strengthening the Internal Aspects of Bargaining Cooperatives
 Determining a Realistic Price for Negotiations with Processors
 Cameron Girton, Manager
 California Canning Pear Association, Inc.
 San Francisco, Calif.
 Increasing Membership Numbers and Strength
 C. J. Telford, Manager
 California Freestone Peach Association, Inc.
 Modesto, Calif.

Discussion

Panel: Strengthening the Market Position of Bargaining Cooperatives
 The Role of Federal Marketing Orders
 Floyd F. Hedlund, Deputy Director
 Fruit and Vegetable Division, AMS, USDA
 Processing Activities
 Earl Blaser, Chairman of the Board
 California Cannery and Growers, Inc.
 San Francisco, Calif.

Discussion

Summary of the Conference

Joseph G. Knapp, Administrator
Farmer Cooperative Service, USDA

PERSONS ATTENDING THE CONFERENCE

Earl Blaser	Treasurer, California Canning Peach Association, San Francisco, Calif.
Ralph B. Bunje	Manager, California Canning Peach Association, San Francisco, Calif.
Alvin Carpenter	Extension Economist, University of California, Berkeley, Calif.
Harry B. Carroll	Executive Secretary, Washington State Council of Farmer Cooperatives, Seattle, Wash.
Harold Copple	Sales Manager, Northwest Wholesale, Inc., Wenatchee, Wash.
T. K. Cowden	Dean, College of Agriculture, Michigan State University, East Lansing, Mich.
John H. Davis	Professor, Graduate School of Business Administration, Harvard University, Cambridge, Mass.
Oscar Eis	President, Cash Crops Cooperative, Inc., Fond du Lac, Wis.
C. T. Elde	Director, Northwest Washington Farm Crops Association, Mount Vernon, Wash.
J. M. Elliott	Manager, Everglades Growers Cooperative, Pahokee, Fla.
Kelsey B. Gardner	Director, Management Services Division, Farmer Cooperative Service, U. S. Department of Agriculture, Washington, D. C.
Ace N. Garlinghouse	Executive Secretary, Northwest Washington Farm Crops Association, Mount Vernon, Wash.
Cameron Girton	Manager, California Canning Pear Association, San Francisco, Calif.
Roland H. Groder	Fruit and Vegetable Marketing Specialist, Oregon State College, Corvallis, Oreg.
Kit H. Haynes	Director of Information, National Council of Farmer Cooperatives, Washington, D. C.
Floyd F. Hedlund	Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington, D. C.
Harlan Hovander	Vice President, Northwest Washington Farm Crops Association, Mount Vernon, Wash.
Lyman S. Hulbert	Attorney, American Institute of Cooperation, Washington, D. C.
Richard C. Johnsen	Executive Secretary, Agricultural Council of California, Sacramento, Calif.
Joe C. Johnson	Associate County Agent, Texas A&M College, Extension Service, Halletteville, Tex.
Forrest Ketner	Secretary-Manager, Producers Livestock Association, Columbus, Ohio
W. J. Klotzbach	Manager, Cherry Growers, Inc., Traverse City, Mich.
Joseph G. Knapp	Administrator, Farmer Cooperative Service, U. S. Department of Agriculture, Washington, D. C.
Einer Knutzen	President, Northwest Washington Farm Crops Association, Mount Vernon, Wash.
W. F. Lomasney	Associate Professor, Extension Service, University of Illinois, Chicago, Ill.

Alden C. Manchester Agricultural Economist, Market Organization and
Costs Branch, Agricultural Marketing Service,
U. S. Department of Agriculture, Washington, D. C.

Phillip N. Mark Manager, Tri-Valley Packing Association, San
Francisco, Calif.

A. W. Matthews Acting Secretary-Manager, Cannery Growers, Inc.,
Maumee, Ohio

Raymond J. Mischler Attorney, Office of the General Counsel, U. S.
Department of Agriculture, Washington, D. C.

O. E. Monroe Farmer, Gonzales, Tex.

Roger Morrison Treasurer, Northwest Washington Farm Crops
Association, Mount Vernon, Wash.

Howard McClarren Director of Youth Education, American Institute of
Cooperation, Washington, D. C.

Wendell M. McMillan Agricultural Economist, Fruit and Vegetable Branch,
Farmer Cooperative Service, U. S. Department of
Agriculture, Washington, D. C.

John G. McNeely Professor, Agricultural Experiment Station,
Texas A&M College, College Station, Tex.

Leon Netardus Public Relations Advisor, Guadalupe Valley
Electric Cooperative, Gonzales, Tex.

Omer C. Ostensoe Assistant Executive Secretary, Agricultural
Council of California, Sacramento, Calif.

Don H. Phipps Secretary-Manager, Northwest Wholesale, Inc.,
Wenatchee, Wash.

I. L. Price Director, Pioneer Growers Cooperative,
Belle Glade, Fla.

J. Kenneth Samuels Director, Marketing Division, Farmer Cooperative
Service, U. S. Department of Agriculture,
Washington, D. C.

Bruno Schroeder Executive Secretary, Texas Federation of
Cooperatives, Austin, Tex.

Homer G. Smith President, Central Bank for Cooperatives, Farm
Credit Administration, Washington, D. C.

O. E. Snyder General Manager (Retired), Blue Lake Packers, Inc.,
Salem, Oreg.

Harold B. Sorensen Associate Professor, Agricultural Experiment Station,
Texas A&M College, College Station, Tex.

George M. St. Peter Attorney, Cash Crops Cooperative, Inc.,
Fond du Lac, Wis.

Donald D. Stark Attorney, Exchange Lemon Products Co., Corona, Calif.

J. Kenneth Stern President, American Institute of Cooperation,
Washington, D. C.

Milo K. Swanton Executive Secretary, Wisconsin Council of Agri-
cultural Cooperatives, Madison, Wis.

Charles J. Telford Manager, California Freestone Peach Association,
Modesto, Calif.

Vernon Tirey Texline, Tex.

J. S. Vandemark Assistant Commodity Director, American Farm Bureau
Federation, Chicago, Ill.

C. L. Wade Farmer, Gonzales, Tex.

O. V. Wells

Administrator, Agricultural Marketing Service,
U. S. Department of Agriculture, Washington, D. C.

John P. Wetzel

President, California Tomato Growers Association,
Stockton, Calif.

Al Whitmore

Secretary, Florida Citrus Production Credit
Association, Orlando, Fla.

OPENING STATEMENT

Joseph G. Knapp, Administrator
Farmer Cooperative Service, USDA
Washington, D. C.

It gives me great pleasure to open this Second National Conference of Fruit and Vegetable Bargaining Cooperatives. We feel that much good came from the conference a year ago in strengthening the sound development of this significant area of cooperative work. And now that we are already acquainted we hope this conference will be of even greater usefulness.

By working together, you can help us be of assistance to farmer bargaining cooperatives through research and education. By knowing each other as individuals, we can better know how each of us can help the other.

The purpose of this meeting is to provide a forum for the discussion of mutual problems facing fruit and vegetable bargaining cooperatives. Fruit and vegetable growers are increasingly interested in this type of cooperative as a means of dealing more effectively with processors on contract prices and terms. New associations continue to be formed and various other groups are considering the use of such organizations in marketing their crops. By encouraging the exchange of ideas, this national conference can help existing cooperatives more effectively meet growers' needs, and it can provide guidance to growers considering the formation of a bargaining cooperative.

As with last year's meeting in Chicago, this conference in Texas is held at the request of various fruit and vegetable bargaining cooperatives. We appreciate the opportunity you have given us to help plan and arrange it.

THE NATIONAL PICTURE ON FRUIT AND VEGETABLE BARGAINING COOPERATIVES

Wendell McMillan
Marketing Division
Farmer Cooperative Service, USDA
Washington, D. C.

My part on this program will be somewhat the same as last year. That is, I will try to give some background information on the development and growth of fruit and vegetable bargaining cooperatives in the hope that these remarks will help provide a starting point for the talks, panels and discussions to follow.

We might begin with consideration of some of the reasons why growers of fruits and vegetables for processing have been looking more and more at cooperatives of the bargaining type as a clue to the answer for some of the marketing problems they face.

Basically it seems that the current interest of growers is a reflection of changes and pressures that have developed since World War II at the opposite end of the marketing channels. Changes that have occurred at the retail levels, which in turn have affected wholesalers and processors, are also now affecting the suppliers of the basic raw product, that is, the growers.

Faced with rising costs during and following World War II, and recognizing the importance of a growing population, farsighted retailers expanded and changed the retail distribution system. The small individual store grew into the supermarket so familiar to all of us now. And expansion was also carried out through forming, enlarging and merging chains of retail stores.

Here are a few figures showing this spectacular growth and change in the character of the retail food store. In 1956, about 280,000 stores had an annual volume of about \$40 billion. Of these stores about 22,000, or 8 percent of the total, did nearly 60 percent of the total business. These stores averaged over \$1 million per store. The other 92 percent of the retail stores did about 40 percent of the total business, and averaged only about \$62,000 per store. The number of items handled by a store has risen from 800 in 1930 to more than 5,000 per store. This may reach 6,000 by 1960, with convenience foods and non-food items accounting for much of this increase.

Along with this growth in size of firms in the food business has come an integration - an interlocking - of functions. Food marketing is more and more becoming an integrated system of product planning, procurement, manufacturing and merchandising.

This development of mass distribution by chains has had its effect on the suppliers of chains - including growers. In the case of farmers

producing fresh fruits and vegetables, the need of chains for a large, steady volume of supplies ordered on a specification basis has left the small individual grower - as well as the small cooperative - in a weak position. In answer to this changed condition many fresh fruit and vegetable growers are looking more and more to cooperatives for help. And many smaller co-ops are looking for ways to enlarge their operations -- through federation, mergers, or integration of certain functions, such as sales.

Processing companies have also felt the effect of this growing size and power of the chains - which are the processors' customers. An example of this pressure on processors arising from the changing marketing conditions is the shifting of the burden of carrying inventories from the chains back to the processors. Where chains used to carry an inventory of 2 to 3 months' sales, they now carry only a 1-month supply.

These pressures, plus rising costs, have led to expansion and merger in the food processing industry. Some figures illustrate the concentration in the fruit and vegetable canning industry. While the value of shipments of canned fruits and vegetables rose from \$1.6 billion in 1947 to \$2.2 billion in 1954, during the same 7-year period the number of canning companies declined from 1,856 to 1,461. The four largest canners accounted for 27 percent of the total shipments of the industry in 1947 and for 28 percent in 1954. If we look at the 20 largest canners in the industry, we see that they accounted for 46 percent of the total business in 1947, and 52 percent of the total business in 1954. In 1954 the average canner of fruits and vegetables had a volume of \$1½ million annually, while the average volume of each of the 4 largest canners in the industry was about \$150 million annually.

Individual growers who produce fruits and vegetables for sale to canners have felt the effect of these changes and pressures in the marketing system. In looking at his position as an individual grower, he often finds himself in a weak position. He is faced with fewer processors to buy his products, and the processors that are available are getting bigger and bigger. He lacks adequate information on prices and factors that affect prices, and he lacks understanding of the price and other terms included in the contract he signs with the processor.

These changed conditions and the weak position producers find themselves in have contributed to their growing interest in bargaining cooperatives as a way of improving the returns on their crops.

But before looking a little more closely at the development of these associations, let's first look at some of the alternatives facing these growers. For, while bargaining associations are one way of increasing their market position, other ways are available. The best alternative -- or combination of alternatives -- depends on the actual situation and economic conditions facing a certain commodity or industry.

First of all, the individual grower can do as he now is doing. That is, he can continue to deal individually with the processors hoping that he

will get enough returns for his crop to stay in farming.

Another alternative would be to form a processing cooperative. Nearly 100 fruit and vegetable processing cooperatives are now operating, and some very successful ones can be pointed to in various parts of the country. However, this alternative requires a large amount of capital -- either to build facilities or to buy out some existing plant. It also requires skilled management and it must be remembered that after the crops are in the cans they still need to be sold. On the other hand, a processing cooperative gives growers more control over the marketing of his crops further along through the marketing channels, and they have the opportunity of increasing their return from the margins obtained through efficient operations. It also gives them a yardstick for measuring other canners in the industry.

A third alternative would be to develop and use either State or Federal marketing orders as a means of coordinating certain functions involved in the marketing of a commodity by both growers and processors. The use of State marketing orders has developed widely in California and several other states are beginning to experiment with them. With some exceptions, Federal marketing orders do not now cover processed fruits and vegetables.

While other alternatives might be mentioned, I will touch on only one other - this being a relatively new type of organization which in some ways resembles a bargaining association. Some Florida citrus growers have formed an association in connection with a large processor for the purpose of providing the entire supply for the processor. The growers are assured a certain basic price, and in addition stand to get a better price depending on the sale of the finished product. This is a brand new organization but it has intriguing possibilities.

Now let us look a bit at the fruit and vegetable bargaining cooperatives, -- that is, associations of growers formed for the purpose of negotiating as a group for the contract price and other terms involved in the sale of their crops to the canner.

An outstanding characteristic of these associations is their rapid growth in recent years. While the pioneer associations -- the California Canning Peach Association and the Utah State Canning Crops Association -- each date back to the early 1920's, the major development has been since World War II, with the number of associations being formed growing at an increasing rate.

Today there are at least 30 fruit and vegetable bargaining associations in the country. This includes 16 vegetable associations and 14 fruit associations. In addition, at least five other bargaining associations had formed but have now been dissolved. Also, a number of other grower groups are known to be considering the formation of bargaining cooperatives.

The increasing rate of growth is shown by the following figures. While there were 8 associations in 1944, the number in 1954 was 15, or nearly double. Then in the past 3 years the total number organized has risen to 30, or double the number existing at the end of 1954. Another way of

showing this growth is to say that one-half of the bargaining associations have been formed in the past 3 years. Seven, or more than one-fourth of the total, were formed in one year alone -- 1956.

Bargaining associations have been formed by fruit growers to negotiate for the sale of cling and freestone peaches, Bartlett pears, apples, cherries, and berries. Vegetables represented by bargaining associations include tomatoes, peas, asparagus, sweet potatoes, sweet corn, cabbage, snap beans and beets.

Fifteen, or one-half of the associations, are located in the Pacific Coast States, while seven or about one-fourth of the associations are in the North Central States. Four are located in the Middle Atlantic States, three in the South Atlantic States, and one in the Mountain States.

Of the 30 associations, 19 are currently negotiating with processors for their members' crops. While several associations have only very recently organized and are not yet negotiating, there are a half dozen or so associations that have not yet been able to actively get underway in representing growers in negotiations with processors.

In 1956 the membership in the active associations totaled nearly 15,000 growers -- about 4,600 fruit growers and 10,300 vegetable growers. The estimated value of the crops represented by these associations in 1956 totaled nearly \$61 million -- the fruit associations representing about \$33 million and the vegetable associations about \$28 million.

Now that we have briefly reviewed some of the reasons for bargaining associations, and had a look at the extent of their development, what can we say about their future?

First of all, we can see that they are growing. Many of the associations are growing both in size and in importance in their particular commodity field. Also, the number of associations being formed has been growing at an increasing rate, and it appears that others will be formed in the near future. Bargaining associations seem an alternative that is well adapted for, and holds promise of, improving the competitive position of growers. And growers who are members of bargaining associations seem to feel that real benefits come to them from their associations.

On the other hand, we can see that these organizations are not without their problems, too.

We might first look at what we can call the "organizational problem." Some associations have been organized but failed to develop into active associations and are now out of business. Then there are a number of other associations that have been organized for several years, but which have not been able, for one reason or another, to get underway and actively represent growers in negotiations with processors. Some active participation and work by growers is needed if these associations, too, are not to die aborning.

Another problem facing bargaining associations is management. While many of the associations have outstanding managers, some associations have not been so fortunate, and groups in the process of organizing an association have been hard pressed to obtain qualified personnel. For the job of manager of a bargaining association requires persons with a high degree of specialized skills and talents, while on the other hand, new associations often have limited funds. Obtaining, training, and keeping competent management is a problem that will require effort on the part of member-growers if they are to develop strong and efficient organizations.

The collection and analysis of essential marketing and economic information are certainly basic needs of any bargaining cooperative. Again, while many associations have advanced far in this area, others have not. Information on prices, carryover, crop estimates and other data are essential to realistic price negotiation and long-run success of bargaining associations.

While other problems that face these organizations could be mentioned, I will close with one more of a rather general nature. This has to do with the goals of the association, or we might say, the viewpoint or attitude of the members as to what their bargaining association should accomplish. Certainly growers are interested in improving the returns they receive for their crops. This is as it should be, but it would seem that this goal should be kept in line with the overall situations facing the industry. Instead of trying to push the grower's price up, no matter what, the attempt should be to get a fair or reasonable return for the grower while at the same time remembering that the processor is an essential part of the marketing of crops and that the consumer can be pushed only so far. In other words, an industrywide approach or viewpoint is needed.

In conclusion, cooperatives of the bargaining type show real promise for the grower of fruits and vegetables for processing. It is a method of organization -- of integration -- that growers are looking at more and more. Poorly used, this marketing tool cannot help the grower. But properly used, it can help growers and the industry as a whole to achieve a more efficient and prosperous agriculture.

REVIEW OF RECENT DEVELOPMENTS IN BARGAINING

National Council of Farmer Cooperatives
Bargaining Division

Cameron Girton, Manager
California Canning Pear Association, Inc.
San Francisco, Calif.

The National Council of Farmer Cooperatives, a nationwide association of farmers' business organizations, was organized in 1929 by a forward-looking group of cooperative leaders who recognized the urgent need for an organization which could act speedily and effectively in matters of national significance. Membership of the Council is made up entirely of farmers' cooperative associations engaged in marketing agricultural commodities and purchasing essential farm supplies, and State associations of farmer cooperatives.

Affiliated with the National Council are 122 direct and associate members, most of them federated cooperatives that serve as central agencies for local cooperative units. Of the approximately 10,000 farmer marketing and purchasing cooperatives in the Nation, about half are affiliated with the Council. These organizations serve a farmer membership of approximately 2,750,000.

The core of the Council's basic philosophy is the firm conviction that farmers themselves can deal most effectively with agricultural matters by joint efforts carried on through their own cooperative business organizations. The Council was established and conducts its affairs in the light of the steadfast belief that agriculture must remain healthy economically if the nation's total economy is to be healthy, and that the family farm must remain the basic unit of production in a sound agricultural industry.

In accordance with these basic principles, the Council vigorously supports and seeks to implement a national agricultural policy which will create a climate for maximum productivity in agriculture, with rewards to farmers for efficiency in production and distribution commensurate with rewards for similar efficiency in other segments of the economy. Most recently the Council has been primarily concerned with efforts aimed at assisting farmers to alleviate the vicious cost-price squeeze on agriculture. To this end, concerted efforts of the Council and its members are directed at bringing about greater efficiency and economy both in the process of distributing agricultural commodities and in the procurement of farm production supplies.

In the more than a quarter-century of its existence, the National Council has won for itself a position of influence and prestige as one of the nation's leading agricultural organizations. While its activities are

most directly related to matters affecting farmers and their cooperatives, the Council frequently participates actively in formulation of broad agricultural and economic policies, both national and international. It often joins with other general agricultural and commodity organizations when united efforts are required to promote agriculture's interests. It also takes an active part in affairs of the International Federation of Agricultural Producers, a worldwide federation of non-governmental agricultural organizations. The Council is one of the four United States members.

The Council is set up and operates through 20 commodity and functional divisions. One of these -- the Fruit and Vegetable Bargaining Associations Division -- was established by Council directors at the 1957 annual meeting at Chicago. Each organization affiliated with the National Council is assigned to one of the divisions, depending upon the type of business in which the member is engaged. Each division has representation on the Council's 20-man executive committee and its 70-man board of directors. Annual membership meetings are held each January and are attended by farm and cooperative leaders from all parts of the Nation. These annual meetings provide opportunity for thorough discussion of significant developments in agriculture and for formulation of broad policy deemed necessary in view of those developments.

Delegates to the annual meetings also elect Council directors for the year on the basis of recommendations from the various divisions. Members of the executive committee and other Council officers are elected by the directors, in line with recommendations by delegates. Between annual meetings the activities of the Council are centered in its Washington, D. C. headquarters, with functions being carried out in line with policy established by the delegate body.

Membership in the National Council is open to any agricultural cooperative which is owned and controlled by farmers and is engaged in marketing agricultural commodities or purchasing farm production supplies. Each new member must be recommended by a Council affiliate and must be approved for membership by a majority of the organizations in the division to which the new member will be assigned. Final election of new members rests with the board of directors.

REVIEW OF RECENT DEVELOPMENTS IN BARGAINING

American Farm Bureau Federation Activities

J. S. Vandemark, Assistant Commodity Director
American Farm Bureau Federation
Chicago, Ill.

The Farm Bureau has had a long time interest in the area of bargaining associations, as well as in the broad field of cooperatives. While our experience has been mainly with the processing vegetable bargaining cooperatives, we are following closely the development of bargaining associations among fruit growers.

Work with bargaining cooperatives has been carried on at two levels: among the various State and County Farm Bureaus, and at the national level.

The role of the State and County Farm Bureaus has varied from State to State depending on the situation in particular areas. In general the assistance of State and County Farm Bureaus has included the following: (1) provided the original interest in bargaining cooperatives through discussion of marketing problems by the County Farm Bureau; (2) helped in the organizational stage by calling meetings and providing meeting places; (3) provided information on the organization of bargaining cooperatives; (4) in some cases provided legal and financial assistance; and (5) established a definite tie-in between the bargaining cooperative and some State Farm Bureaus.

The activities of the national organization are of three types: Information, national meetings of processing vegetable growers, and legislative activities.

In addition to information provided various groups on the organization and operation of bargaining cooperatives, the American Farm Bureau Federation (AFBF) has been preparing and distributing a special mimeographed report containing the latest information on contract price offers, carryover, prospective acreage, and growing conditions.

As part of the AFBF commodity program a special sub-committee of the Vegetable Advisory Committee was established to consider the particular problems of processing vegetable growers. These national meetings, held twice a year, provide an excellent opportunity for growers from various States to discuss problems and exchange ideas.

The third phase, legislative activity, ties directly in with these national meetings. In addition to reports in the processing vegetables situation in various parts of the country, topics such as marketing orders, research, farm labor, and the farm program are discussed. Recommendations on these topics, made at these national meetings, are forwarded to the AFBF Board of Directors. Once policies are approved,

it is the responsibility of the Farm Bureau commodity and legislative staff to put them into action.

Basically the Farm Bureau leadership views fruit and vegetable bargaining cooperatives as marketing tools that are available to growers to help themselves. We shall continue our interest in their development and shall always be seeking better ways and means to serve fruit and vegetable growers.

REVIEW OF RECENT DEVELOPMENTS IN BARGAINING

West Coast Bargaining Changes

C. J. Telford, Manager
California Freestone Peach Association, Inc.
Modesto, Calif.

The second conference of the Pacific Coast cooperative marketing associations was held in October, 1957 in San Francisco. This Conference was attended by representatives from twelve different bargaining associations on the Pacific Coast. It was felt that there is much to be gained by having an annual meeting to review activities of the preceding year. It affords an opportunity for the various associations to discuss their problems among representatives from various parts of the Pacific Coast. Also it affords an opportunity for growers interested in getting started as new bargaining associations, to discuss their problems with those associations which have been in operation for some time past.

In reviewing the activities of our various associations, we find that the California Canning Peach Association was fortunate enough to secure a reasonably good price for the cling peaches grown in California. However, it should be pointed out that all the fruits produced on the Pacific Coast were faced with record carryovers on June 1 and also, almost without exception, it seemed that there would be a near record crop produced in 1957. The cling growers found that because of this condition it was necessary for them to green-drop approximately 15 percent of their crop. In addition it was necessary to use what is called a "cannery diversion program". This so-called tailoring of the pack of cling peaches is made legally possible under the provisions of the California cling peach marketing order. It should be pointed out that this is a joint marketing order in which both canners and growers participate.

The California Freestone Peach Association does not have a marketing order under which it can operate for the betterment of grade or for the diversion of any portion of the crop as it is produced. It became increasingly evident as the season progressed that not only were we faced with a record carryover of cases on hand, but also that we would have a normal or even a larger than normal crop of peaches for the 1957 season. The association made a study of the potential crop during the month of June and revised their estimate downward by approximately 10 percent. Neither the State Crop Reporting Service, nor the canners agreed with this figure at this time. However, as the season progressed it was evident that the crop estimate which was made by the freestone growers was the most accurate made in California.

During the early part of July, canners were using every means at their disposal to drive the price for freestone peaches down substantially from the price received by the growers in the 1956 season. Efforts were made on the part of some canners to buy as much tonnage as possible

outside of the association at a price approximately \$5.00 a ton less than the association was asking for their fruit. They also indicated that they were going to turn back tonnage to the association. With this evidence at hand, the association management recommended that all fruit which was produced by grower members of the Freestone Peach Association be pooled by variety, so that all growers would participate in the pro rata net return of the fruit produced by the individual members. The association shipped freestone peaches fresh for the pool and also dried peaches for the pool. This pooling procedure had a very definite effect on the final amount of fruit which the canners finally received for processing. As soon as it became public knowledge that the association was definitely shipping and drying fruit, the canning industry decided that they then wanted more fruit for processing. However, by this time some 2,000 tons of freestone peaches had been diverted and were no longer available for processing. This prevented the canners from further depressing the market and buying additional fruit at less than the price established.

The California Canning Pear Association was faced with problems very similar to those faced by the Freestone Peach Association. Again, with a record carryover and with an alltime record crop on the Pacific Coast, it was evident early in the season that it was going to be necessary to encourage shipment of fresh pears to the Eastern market. In this way the association was able to curtail the amount of fruit actually available for processing. Under the Producers' Marketing Act it was able to eliminate the Number 3 grade and establish a larger minimum size. As a final result, it was this ability to control the quality of their fruit that made it possible to actually process the major portion of the available crop of Bartlett pears.

The Northwest pear growers were of course faced with the same problems which faced the California pear growers. They actually increased their out-of-state shipments of fresh fruit enough to make it possible for them to process the balance of the crop.

The Washington freestone growers had little problem in 1957, either as far as carryover or production was concerned. The crop was down to about 25 percent of normal and their pack position was in fairly good state. Thus it was more a matter of holding the price to a somewhere near reasonable level rather than trying to get a decent price for their commodity.

The Kadota Fig Growers Association was faced with the problem of not being able to dispose of their crop. However, they were able to make reasonable arrangements with an independent canner whereby they could can, or have canned for their account, a considerable amount of tonnage produced by association members. As soon as this fact became public knowledge a number of the canners of figs came back to the association and attempted to buy additional tonnage at the price it asked. However, the association had already made its commitment to have this fruit canned and did an excellent job of selling the canned figs. It was able to establish its price through processing its own commodity.

The California Tomato Growers Association had a near disastrous year in 1957. Its growers had been forced to accept a bare cost-of-production price for their tomatoes on contract and then, about half-way through the harvest season, heavy rains destroyed many thousand of tons. In fact, the crop wound up about a million tons short of the expected production. This, of course, may help the position of the growers in 1958, but it was an extremely difficult time for the producers of tomatoes in 1957.

The Puyallup Valley (Wash.) Berry Growers Association was able to help its members to some extent during its first year of bargaining. They were able to get something like a reasonable price established for their blackberries and raspberries. The Washington growers are hopeful that they will be able to merge their bargaining operations with the Oregon berry growers and thereby strengthen their bargaining power considerably. We sincerely hope that this will take place because the Oregon berry growers particularly are in a very weak position as far as securing a resonable price for their berries is concerned.

Also, at our fall meeting the projected plans for the cooperative cannery, which is being developed through the efforts of the California Canning Peach Association, were reviewed. An explanation of what the new cooperative cannery intended to do was outlined.

Dr. Sidney Hoos, Professor of Agricultural Economics at the University of California, also favored us with a very significant talk in which he outlined the importance of reliable factual data for use by bargaining associations. He pointed out the need for the associations to reevaluate their bargaining techniques, to develop new ideas, and not to bargain for price only. He suggested that through bargaining for other services they might increase their usefulness to their members.

A thorough discussion was held concerning the outlook for cooperatives and the need of more agressive action concerning tax treatment for cooperatives and particularly for fruit and vegetable bargaining cooperatives.

Again, I would like to state that we on the Pacific Coast feel that these annual conferences are extremely beneficial. We recommend that other cooperatives, and particularly bargaining associations, attempt to get together in their various areas to discuss their problems. We feel that perhaps in this way they can strengthen their position as far as bargaining for the sale of the commodity produced by their members.

CASE PROBLEM: A PANEL OF "EXPERTS" EXAMINES THE PROBLEMS OF
OREGON BERRY GROWERS FORMING A BARGAINING COOPERATIVE

Statement of the Problem

Roland H. Groder
Fruit and Vegetable Marketing Specialist
Oregon State College
Corvallis, Oreg.

The fruit and vegetable growers in Oregon, like growers in other parts of the country, have felt the impact of our changing times. Decisions based on past trends and happenings have caused many growers, processors and marketing men to guess wrong on current needs and market conditions and to end up with smaller net incomes. In fact, on numerous occasions the books have shown a net loss instead of a net gain. This is partially due to poor management and neglect on the part of the farm manager to keep abreast of the changing times and to keep in step with the rest of our economy.

Selling and merchandising techniques have changed and are continuing to change almost week by week. These adjustments are expected to continue. New areas of production with lower production costs are being developed. New higher yielding varieties of many crops have been developed and this has caused many shifts in the production pattern, plus increased competition.

Farmers in Oregon, again like farmers all over the country, have felt the impact of large-volume buying and small-margin selling. The trend today is for larger stores, more private labeling, and vertical integration -- that is direct buying and selling or, to use a more common term, contract farming.

Contract farming has been used in Oregon for many years. In most instances it has been well liked by our fruit and vegetable growers. Why? Because it has reduced the risk involved in marketing since a ready market outlet was provided; and with most contracts, provisions were made for some technical assistance and other benefits that were realized as the result of a tie-up between the farmer and the processor.

The processors today are also feeling the pinch, and selling today is more competitive than at any other time in our history. To satisfy the retail buyer who dictates quality, delivery schedules, and terms of payment, the processor is having to provide more technical and management assistance to the growers. This, in turn, requires the processor to lose interest in the small-volume producer because it costs him as much to service a small producer as it does a large one. Therefore, we find the small-volume producer having difficulty in obtaining contracts.

Another problem facing the small-volume grower is the fact that some processors will give a contract for certain commodities only if the grower will produce other crops. This requires more diversification on the part of the farmer and in some instances causes him to deviate from what the economist calls his economic "best choice". Also, most of the contracts are of the "open-end" type -- that is, in the case of the berry grower, the grower agrees to deliver all his berries to the processor for the life of the plants (3 to 5 years) at the prevailing market price. There is usually a withdrawal privilege with 1 year's notice. In addition to technical information, processors often furnish plants, crates, and transportation of pickers and will advance the grower money enough to pay for the picking of the crop.

It is my belief that the farmer today has to be a sharp businessman and in a position to adjust readily to what the market wants, when it wants it, and at the lowest price possible. The farmer must meet the changing times and follow the rest of the economy by operating on the basic principle of a large volume at a small margin.

The farmer must strive at all times to be as efficient in production as possible. This means to produce at a unit cost that will yield the greatest net return. If spending \$4 will return \$5, he must do it.

If the farm is small, then consideration must be given to increasing its size. This may appear to be in conflict with the belief of so many that we must maintain the family-size farm. Well, it isn't when you stop to think that the family-size farm has to be large enough to give the family enough income to provide a living -- not an existence. In Oregon many of our farms are small, and with the sub-divisions and urban areas "taking over" so much of the agricultural land, it is difficult to expand.

The small-volume berry grower or vegetable grower is experiencing the change of times and finds it almost impossible to make the necessary adjustments in today's method of farming. Yet, most of the farmers realize that a change is necessary.

Bargaining associations, pooling, and cooperative marketing offer some hope to the specialized grower in certain areas of the State. But we know from experience that poorly financed or small-volume cooperatives cannot succeed in today's business world until they have a large enough volume to attract the buyers and get repeat sales.

A healthy situation exists in Oregon in that a good balance between the number of non-cooperative and cooperative processing plants exists. This tends to keep both efficient and fair, as well as provide a free choice to the growers as to where and how they will sell their products. The big problem, then, is with the grower who cannot make a living on the volume of produce he has to sell, and I'm sure our Oregon problem is no different than any other places in agriculture today.

We have many berry growers in Oregon, and we produce a considerable quantity of fruit and vegetables. Being a long distance from the major markets of the country, processing has become the most important outlet. For example: 97 percent of our strawberries are processed; around 85 percent of the raspberries are canned or frozen; and nearly all of our other cane berries are frozen or canned. Only small quantities are sold fresh through the wholesale markets, roadside stands, or on a U-pick basis at the farm.

The same is true for most of the vegetables produced in Oregon, such as Blue Lake green beans, carrots, beets, sweet corn, and peas. So, you see, Oregon's production is based primarily on the processing outlets and lends itself to the contract type farming through cooperatives and non-cooperative organizations.

Growers, realizing this, are beginning to "feel around", so to speak, and are wanting more information, an exchange of ideas, and facts based on the experiences of other growers in other parts of the country on ways to meet these changing times.

This past year a group of berry growers, being dissatisfied with the price of berries, undertook to organize a cooperative bargaining association known as the Northwest Berry Growers Association. In recent months a number of meetings have been held to explain the set-up of the association and to sign up members. While mainly interested in strawberries, the association will add other berries and vegetables at a later date if feasible.

The by-laws also will allow other activities in addition to bargaining. Interest in the association was developed originally by a grower who blamed local processors rather than market conditions for last year's low strawberry price. Some cooperative processors have been in favor of the formation of a bargaining association and want it to be successful. Other processors have remained neutral.

This, then, is the background and the development to date of the bargaining association. The program at Oregon State College in helping these growers has been to neither encourage nor discourage them. We want to help through information and education. This winter we are starting a series of meetings on bargaining cooperatives and cooperative marketing. We have received good information from the Proceedings of last year's bargaining conference, and from letters written by leaders of various bargaining associations around the country.

Now, I am looking forward to the comments of our panel of "experts".

STATEMENTS OF THE "EXPERTS"

G. Alvin Carpenter, Extension Economist
University of California
Berkeley, Calif.

It appears that these growers have quite a few problems. Probably the main need is for a longer period of education among the growers.

From my experience with bargaining associations, I would suggest the following as criteria for success. The association must be competitive. It must have a high percentage of the production signed up so that processors can't go around the association to get volume. In Oregon, producers have many other alternatives, such as hops, and there are many big growers. The percentage might need to be greater in specialized crops. The elasticity of demand and supply are factors. If the grower has other alternatives he is not so likely to sign up.

How homogeneous is the group? Are they in it together? There is no substitute for a good membership relations program to get growers informed on the situation and working together.

A lot of information must be analyzed. Growers need to know the supply and demand situation and the position and costs of processors so they don't demand too high a price. Growers need as much information as processors. Finally, growers need to develop knowledge of the techniques of bargaining to be effective in their negotiations with processors.

Einer Knutzen, President
Northwestern Washington Farm Crops Association, Inc.
Mount Vernon, Wash.

Perhaps the experiences of our pea bargaining association will be useful to the Oregon berry growers. Our association, which started negotiating 3 years ago, has a high percentage of the tonnage signed up. However, we still have our problems.

In the beginning we tried to bargain through friendly, informal talks with processors. However, as time went on the processors got better organized -- a merger took place which reduced competition in buying. We were asked to take a cut of \$10 a ton while other areas had only a small cut.

So we formed a bargaining association with the help of the Utah State Canning Crop Association, and signed up 95 percent of the growers. That year the processors had to bargain because of a short crop and we got a \$5 increase. In 1956, with another short crop, we got another increase. But this past year we had a big crop and the processors wanted a \$20 cut. The growers held off planting, and held off well, so we ended up with only a \$16 cut.

We are now faced with a new problem. A major processor offered special inducements to growers who would pull out of the co-op. A few members withdrew, but after the association had a meeting to explain the situation, we had no more withdrawals.

These are some of our problems. I think that if the Oregon group has too small a percentage it will have a hard time. However, the situation may not be too bad since they have cooperative processors who can help. In our case, the processing co-op at Milton-Freewater has been a stabilizing factor.

A. W. Matthews, Acting Secretary-Manager
Cannery Growers, Inc.
Maumee, Ohio

The pea situation just described sounds like some of the problems our tomato growers had in Ohio. If the Oregon group is weak and doesn't have a high percentage signed up, then that's where they are weak.

Growers need to be informed, and you can't do it all at meetings, You have to be personal; get out in the barnyard and talk with the farmer. The processors have field men who are always out contacting the farmers personally. You also need to give everyone something to do in the association, such as serving on various committees. This helps them feel more a part of the association.

To counteract propaganda against the cooperative, you need to inform the public that it is an association of farmers trying to improve the marketing situation.

C. J. Telford, Manager
California Freestone Peach Association, Inc.
Modesto, Calif.

Frankly, it seems that the growers in Oregon are not yet ready for an association. The growers would be better off to take another year or so to get ready. Get the growers educated before trying to negotiate. Try to get a strong committee and educate them first. Then, get teams of growers to go out and talk to growers personally. This would sell the growers better.

But the committee needs the facts themselves first. Don't let the idea die, but develop information and research in a rather loose organization for a year or so to get better set to start bargaining. Take one crop and do a thorough job on it first; then expand to other berries but not into vegetables. Check the contracts that growers have with processors very thoroughly.

I would question whether as high a percentage of the crop is needed as mentioned earlier. In the first year of the California Freestone Peach Association, we had only 10 percent of the tonnage, and we now have about one-third. The percentage needed depends on the commodity. Also, it is very hard to get a large number of growers to agree on everything, so it's better to concentrate on a strong nucleus.

Summary by J. Kenneth Samuels
Chairman of the Session

I believe that the following are the major points made by our panel of "experts:" Be competitive with processors; become well informed; take time for education; get a broad base in terms of number of growers and tonnage, although you don't need everyone; the tonnage needed depends on the industry; get a lot of growers working and doing things; you can start off with service activities first before getting into price negotiation; start with only one commodity; and get good legal advice.

OPPORTUNITIES AND RESPONSIBILITIES OF BARGAINING COOPERATIVES

J. K. Stern, President
American Institute of Cooperation
Washington, D. C.

Our first big job is to wake up our members and all farmers as to what is happening to their markets. We believe in a competitive economy, but too few producers are aware of the tremendous changes taking place in our economy, how one buyer for a large food distributor has taken the place of hundreds of buyers for small food distributors of a decade ago. The food processing and distribution pattern today is as unlike what it was in the 1940's as the motor in the 1958 automobile is compared to motors of the 1940's, but our production units and our bargaining associations look too much like the low-powered models. You can't win a race with such equipment.

How big do you have to be to bargain on an equal basis with region-wide, nationwide, and even worldwide organizations? How loyal must your members be when strong opposition attempts to bait some of your producers away from you and weaken your position? When some of the large food buyers and processors are in food production on a mammoth scale themselves, what does it do to your position? When a buyer can call a score of small bargaining associations across the nation, and play one of you against the other, how effective is your bargaining?

Unless farmers recognize the changes that are taking place in our economy, the necessity for stronger bargaining associations backed up by complete loyalty of their members, and led by men who have a long-headed concern for the industry at heart, the producer in the future will be like the sharecropper of the past who said: "What will you give me for this?"

Furthermore, the leaders of the bargaining cooperatives must team up with operating or handling cooperatives, so that we present a united front to those who buy our commodities. There is no room for "little Hitlers" who can arrange a spectacular deal that may be of short-run benefit to their particular groups, but at the same time undermine the efforts of other producer groups in the industry.

Unless our members, our directors and our managers understand better how our competitive economy works, so that together we will bargain effectively, we will be taught an economic lesson the hard way -- by those who do understand it.

FUTURE PROBLEMS OF FRUIT BARGAINING COOPERATIVES

Ralph B. Bunje, Manager
California Canning Peach Association, Inc.
San Francisco, Calif.

When I was invited by the Department of Agriculture to discuss the subject of "Future Problems of Fruit Bargaining Cooperatives", my first thought was: What new problems may fruit and vegetable bargaining associations be facing in the future which they have not faced before. Frankly, I found it rather difficult to discover problems which were entirely new. Rather, I think these associations will be faced with the same basic problems that they have faced before but some of them in a new dress or with a new twist.

Matters dealing with production and marketing never remain the same; there is constant change and each organization needs to be alert to these changes which take place each season. There are, as we know, many combinations of circumstances that will provoke new problems, often in areas that we may heretofore have assumed were under control. Alertness to change, therefore, must be our first concern if we are to make progress as bargaining associations.

In some respects, bargaining associations are unlike other cooperatives in that they are not integrated operations. The interest shown by farmers towards integration has been accelerated during recent years. Bargaining associations attempt to accomplish the results of integration for their farmer members without integration itself. The number of tools in our business is limited; for example, we cannot utilize the savings brought about by integration such as lower manufacturing costs, better distribution, stronger bargaining position for production supplies, and many other advantages available to a fully integrated cooperative.

The strength of bargaining associations is pretty well limited to the development of economic strength through organization. We need to use some of the same basic tools that are used by other segments of our society which are engaged in the business of collectively safeguarding the interests of their members either in the area of selling goods, manufacturing or furnishing services. These others have made use of such devices as regulating competition, controlling supplies, limiting markets, allocating markets, fixing standards, and other well-known methods of improving the economic position of a particular group or commodity.

All these practices, and many others, are not new, and are frequently carried out with the aid of local State and Federal Government agencies. Often the police powers of the State are utilized in these areas to accomplish economic ends. We are all familiar with the regulation of competition and allocation of markets which exist in many cities where such businesses as taxicabs, service agencies, and retail outlets operate through licensing or permit schemes. Many are the regulatory standards

used by commerce and industry. Fair trade laws, marketing orders and agreements, labor unions, and trade associations are but a few examples of the many devices used by business, industry, labor, and agriculture -- some of which involve the utilization of government or monopolistic powers -- to accomplish economic ends. Some of these ideas will, in my opinion, be studied by farmer bargaining associations in their efforts to improve their effectiveness in securing their economic objectives.

One of the problems that lies ahead concerns the breadth of understanding and the intelligent use of such economic power as may result from the use of any of these special devices. Economic strength is frequently secured as a result of the operation of government regulations; or it may come about as a result of monopolistic power, but whatever the basis, I thoroughly believe bargaining associations, for their own self interest, must measure the application of such power against the ever important concepts of our private-enterprise economy. It is easy to abuse economic power. Abuse of such power is a short cut to oblivion, as many in organized labor are beginning to discover, and as some leaders in business and industry discovered in the 1930's.

I don't have a capsule description of catch-word slogan to use that will suggest how this problem can be overcome. I can only suggest we need to keep our bargaining associations completely democratic, close to the producer, part of the farm, if you will. If this is done, the members themselves will protect the basic national interest and assume the responsibility for the intelligent use of economic power.

In addition to this general problem, which should concern organized labor and big business as well as the farmer-owned bargaining associations, I would like to discuss briefly six basic areas in which I believe some of our future problems may arise. These are in the fields of member relations, customer relations, public relations, State and Federal legislation, research bargaining procedures, and personnel training.

Membership relations constitute the real strength of bargaining associations. Associations made up of members who understand, believe in, and energetically support the organization are generally successful. Membership support is the real backbone of the association's strength. Good relations can be damaged from within the organization as well as from without. As the idea of farmer owned and operated bargaining associations gains in popularity and strength, we may find ourselves seriously challenged by those who feel their economic welfare is threatened through the operation of bargaining associations. These might include some speculative factors and those who have earned a living through exploitation of the producer because he was not organized. Such groups may direct their attacks at the keystone of the association's strength - the member. Such threats can be met only by active membership participation and good communication between management and the member.

We need to deal with our members frankly and fairly and communicate with them frequently, and the communication needs to be in both directions. I am convinced if these principles are carried out, the association will

grow stronger, and will be able not only to meet attacks from the outside but also to build strength to meet attacks from within.

Good customer relations are as essential to bargaining associations as they are to any enterprise. Frequently, because we bargain over price with our customers, we forget how important goodwill in this area can be. It is much easier to bargain with satisfied customers who understand our problems and respect our decisions. Such relations are not easy to attain and when they are attained, it is because we have had integrity in our dealings and have built a reputation for honesty and fair play. These are essential in building the foundation of good customer relations, whether we are a bargaining association or a manufacturer.

Price alone need not be the only function of the bargaining association. There are many services that can be performed for our customers that may be carried out with satisfaction to the buyer.

Favoritism between customers, or unequal treatment -- no matter how much it may seem to be justified -- will weaken good customer relations. This is a problem area that will require the keenest diplomacy, the utmost tact, and a firm hand on the part of association leadership.

Our members are often influenced by competitive forces to seek retaliation that may, in itself, be justified but can only end in misunderstanding and damage to good customer relations.

Good public relations must also be maintained. Sometimes, as is the case of the California Canning Peach Association, we are benefited in our pricing operations by the existence of State Marketing Orders which use the police powers of the State. Under these circumstances, there exists an area of public responsibility which we must serve. Our actions often affect those who are not members of our association. Therefore, we need to concern ourselves with the public interest, with the interest of those who may not be directly associated with our organization. Not to do so may lead to misunderstandings that could be harmful.

Bargaining associations will, in the future, need to concern themselves to a greater extent with Federal and State legislation that may affect their area of operation. It is interesting to note that farmer owned and operated bargaining associations -- with the exception of milk -- exist principally among the commodities not subject to the benefits of Federal legislation. For example, organized processors have for years been successful in defeating legislation that would enable the growers of most crops for processing to utilize Federal Marketing Orders and Agreements. We have found that State Marketing Orders are of substantial benefit in our operations. It is the only method we have been able to devise whereby there can be an equitable distribution of the burdens of surplus control -- the only basis on which we can achieve uniform standards of grading.

We cannot, however, ignore the influence of competitive fruit prices. In our own case, distressed prices in one commodity can frequently affect

the prices of other commodities. This in turn threatens the values of the finished products and causes our cannery customers to buy in anticipation of distressed conditions. Some crops which are grown in several States may need the benefits and advantages afforded by Federal Marketing Orders and Agreements. The benefits of permissive self-help legislation must be made available to every commodity, irrespective of its utilization.

I do not know how many of my listeners have studied the Wagner Fair Labor Standards Act or the Taft-Hartley Act, or the many Federal and State regulations that govern and establish the rights of employers and labor in connection with collective bargaining. It is an interesting study, I can assure you. It is particularly interesting when you imagine a similar set of favorable rules and regulations -- supported by Federal or State authority -- to protect the bargaining power of associations such as ours. Imagine farmer owned and operated bargaining associations having the same legal and bargaining advantages extended to them as are extended to organized labor. I often wonder what would happen if farmers were to have the advantage of similar governing standards concerning such things as unfair buying standards, closed shop, the check-off, and many other advantages available to organized labor. I believe this subject needs to be studied in the future. Perhaps in this area, farm people can find the means to achieve an equality of bargaining power comparable to other segments of the economy. It may be a Taft-Hartley Act for organized farmers will be necessary unless the farmer's bargaining position with respect to the sale of his products is strengthened. I say this because of the trend during the past 10 years towards fewer and larger factors in the field of food manufacturing and distribution, as well as in the manufacture and sale of farm supplies. These trends must be reckoned with in measuring the farmer's bargaining strength.

It is becoming increasingly evident that government subsidies are no satisfactory answer to the problem of farm income and subsidies do little to improve the farmer's bargaining strength. I raise the question as to whether a solution lies in the direction of permissive legislation and regulations governing the buying and selling procedures of products from the farm to the handler as a basis of giving the farmer an equality of bargaining strength in the sale of his production.

Many segments of organized labor have abused their bargaining power. We must be careful not to abuse what little bargaining strength we now have, as well as any further bargaining strength we may acquire. I don't believe you can operate a bargaining association like a labor union, and I hope that those of you who are listening to me will clearly understand that is not the basis of my discussion. Rather, I suggest that farmer bargaining associations need to give careful study and consideration to the proposition of securing for themselves some of the conventional tools of the trade in connection with bargaining for the sale of products of the farm.

We also need to be alert to legislation which may weaken our positions. For example, there is now a bill proposed in the United States Senate which would create anti-trust protection for first handlers whenever they are asked to bargain collectively by a grower cooperative bargaining

association. I can understand why such legislation may be of substantial benefit to milk producers, but it would -- in our judgment -- merely serve to strengthen the bargaining position of the buyers with whom we do business, and do nothing to improve our position.

Bargaining associations may be called upon to make important and far reaching economic decisions. This may be critical whenever the balance of bargaining strength rests on the side of farmer associations. It is also true when establishing or trying to establish long-range price objectives. Our final decisions are often influenced by alert intelligent buyers and by pressures from farmer members who may choose to ignore economic facts. These influences may result in decisions which are not sound.

Frequently, economic and marketing data are not readily available to the bargaining association or to its customers. Sometimes it is difficult to make reasonable determinations because of a lack of information on the supply of the commodity with which we are dealing. It is never hard to determine what prices our members may want, or what prices our customers may want to pay. What is difficult is to determine what the market can afford, based on the influence of income, competitive items, trade attitudes, consumer interest or other important influences. It is absolutely essential for the association's management and board of directors to have available all of the economic data affecting the market, if sound decisions are to be made. There is no substitute for economic and market information.

One source of help in securing this information may be our land-grant colleges. They need to be encouraged in this area to devote increased attention to the problems of securing economic, marketing, and supply data that can be effectively used by the farmers, their bargaining association, and their customers.

Bargaining procedure, it seems to me, is also an area that needs attention. Frequently our customers are restrained by anti-trust laws from actively bargaining with us in an effective manner. Too often, I believe, there is a lack of good communication between the buyer and the seller. There should be refinements in this area that would be beneficial to both sides. I would suggest that there should be a greater exchange of ideas and experiences among bargaining associations for the purpose of developing better bargaining procedures which are fair to both sides and effective for the bargaining association.

The last problem area I would describe deals with personnel. As the idea of farmer owned and operated bargaining associations gains in popularity, we will find there is no reservoir of experienced and well-trained people with a background of economics and marketing that can be tapped. All of us need to give some thought to this problem by attracting and bringing into our own organizations young people with good basic training who can grow and develop in this field. We need to see to it that a high standard of personnel is accompanied by a high standard of pay. Frequently, association managers are called upon to negotiate with some of the most skilled and highly paid people in their industry. We must take care lest

we send a poorly trained, inexperienced, underpaid representative to carry out one of the most important functions of farming -- that of selling the crop at a reasonable price.

In summary, I would suggest that the future problems of fruit and vegetable bargaining cooperatives lie in familiar areas. Problems will arise where we have not performed on a satisfactory basis. If we have performed well in the field of member relations, public relations, and customer relations, we will solve possible future problems. If we have been guided by sound economic principles and high standards of fair play in our bargaining, we will strengthen our position.

We must be alert in the area of Federal and State legislation; to press for that which is sound to our economic interest and to oppose that which will weaken us. We need to secure good people to help in the jobs that lie ahead. We must pay them well. Above all, we must combine our skill and our experience with imagination so that the farmer will find his bargaining power improved, whereby enabling him to enjoy a parity of income with the other segments of the American economy.

PANEL: INCREASING THE INTERNAL ASPECTS OF BARGAINING COOPERATIVES

Determining a Realistic Price for Negotiations with
Processors

Cameron Girton, Manager
California Canning Pear Association, Inc.
San Francisco, Calif.

- I. Most cooperative marketing organizations have similar problems, and many use similar techniques to solve these problems.
- II. Some problems that affect cooperative marketing organizations, by their nature, will vary from year to year.
- III. And, of course, some problems are confined to individual organizations.
 - I. Some of the problems that affect all of us are:
 1. The association needs a thorough knowledge of what it has to sell or market.
 - a. Amount: tons, bushels or units.
 - b. Grades and sizes.
 - c. Varieties.
 - d. Time available for marketing.
 - e. Marketing programs.
 2. Grower-members should have a thorough knowledge of their obligations and duties in marketing their commodity.
 - a. Accurate and timely reporting to the organizations.
 - b. Available supply by grade and variety.
 - c. Thorough knowledge of their performance requirements.
 3. The cooperative marketing group must have thorough knowledge of their customers.
 - a. A list of buyers.
 - b. Financial position of prospective buyers.
 - c. Grower preferences.

d. Willingness of buyers to do business with the cooperative marketing organization.

4. Actual execution of the sale.

To properly execute the successful sale, the cooperative marketing organization should have at its disposal:

a. Current marketing information, available supplies.

b. Carry-overs.

c. Competing crops.

d. Buying power.

e. Demand of buyers for commodity.

5. Keep membership well informed.

a. Attempt to eliminate rumor.

b. Be thoroughly honest in economic information used.

c. If meeting with commercial buyers, confer with them individually.

d. Keep your remarks with various buyers confidential.

6. Actual marketing of commodity not complete until the organization performs.

a. Live up to your end of the contract.

b. Be thorough in having membership conform to contract conditions.

c. Continue to strive for quality and fair practice.

II. The aforementioned problems would, I feel, affect all cooperative marketing groups. Some that are peculiar to our own organization are as follows:

1. Two or more varieties.

2. District differentials.

3. Fruit sold - some to canners, some fresh.

PANEL: STRENGTHENING THE INTERNAL ASPECTS OF BARGAINING COOPERATIVES

Increasing Membership Numbers And Strength

C. J. Telford, Manager
California Freestone Peach Association, Inc.
Modesto, Calif.

Before a bargaining association can expect to maintain a regular increase in membership, there are certain qualifications which it must meet. These are points which I believe any interested potential member is going to want answers to before he would be willing to sign in as a member.

The first thing he will look at is the qualifications of the management team. I believe that it is extremely important that the manager be well acquainted with the particular field the bargaining association is interested in. It is necessary that the potential member have confidence in the ability of the management to conduct the affairs of the association in a businesslike manner. Of course, it goes without saying that the manager of a bargaining association should also have many of the attributes of a good public relations man because his work, in one respect, is very heavily weighted to this field.

Any fieldmen employed by the association should be men who have had very nearly as much experience as the manager, or perhaps in some cases more experience than the manager has had in the particular field which the association represents. This again is necessary to create a feeling of confidence in the minds of potential members.

In fact, any personnel employed by the association should be people who establish confidence in the minds of members, if the association membership program is going to be maintained.

Members and potential members of an association are extremely interested in the people who represent them on the board of directors.

It is my personal feeling that each member of the board of directors should be a highly respected man in his community. The directors should be good managers of their own affairs. This includes their orchards, ranches, or whatever they might be. Each member of this board of directors should be willing to look at the problems from an industry point of view and not just from a personal viewpoint; in fact, he has to stop thinking in terms of his individual problems and must start thinking in terms of the overall industry program.

Each member of the board of directors should also be willing to devote whatever time is necessary to do the best possible job for the

association. In addition to the regular board of directors' meetings, there are often committee meetings and district meetings held in the evenings which he should always plan to attend.

Another method which we have found to be helpful to strengthen our membership program has been the establishment of district advisory boards. Members of these district advisory boards are elected by the members of the association in each district. These districts are the same districts which are set up for the purpose of electing the board of directors.

The function of these advisory boards is to work with the manager and fieldmen to line up prospective new members. This cuts down on the amount of running around the fieldmen must do in each of the districts when they are attempting to sign up new members. It is much easier for the local district advisor to set up appointments, or get small groups together, to enable the fieldmen to talk to them on membership programs and membership problems. These district advisors also hold district meetings to gather reactions of the members in their particular areas and also disseminate information which the association office wishes to get out to the members in each district.

Last, but not least, the primary method to increase membership in any association is just a lot of hard work. There can never be any let-up in the drive to get new members in the association, or to keep the members satisfied once you have them as members of your association.

Now as to plans to increase the strength of an association, I think you can easily see that many of the points I have mentioned above would also apply where you are planning to increase the internal strength of your association.

I think it goes without saying if you are to have a strong association you must certainly have a strong management team, a strong board of directors, and the greatest possible use of the various district councils.

Much has been said about the well-informed membership of an association and I certainly don't feel that this can be overemphasized. There are several avenues of approach in keeping the membership informed.

One of the most commonly used is, of course, the newsletter, which should be brief but informative and carry factual information that affects the individual member. It should not necessarily be limited to activities of the association but should also include pertinent economic data as they affect the commodity marketed by the association.

Another means of keeping the membership informed is the use of district meetings. These may be held several times during the year and there should be a well planned program with an agenda for each of these district meetings. Preferably the meetings should not last more than 2 hours.

Of course the annual meeting is a means of helping the association get information across to its membership. However, it is not always possible to reach the greatest numbers at the annual meeting and perhaps it is also not possible to go into as much detail at the annual meeting as the management feels is necessary. Often details can be handled better at district meetings.

Of course, there is no substitute for personal calls. I think this is one method of communication that is not emphasized enough. It may seem expensive but I think that in a long run it will pay off because the members already in the association and any potential members certainly appreciate personal calls on the part of the personnel.

Another means which we suggest to strengthen internal work of the association is the use of a committee setup on the board of directors. This, of course, is a considerable help to management because it brings more of the board of directors into active work in the association other than just at board of directors' meetings. For those directors who have not had previous experience in serving on boards or in taking active part in an industrywide basis, it is extremely helpful to them to participate on a committee which may be concerned with marketing or with pricing problems, or with economic data, or personnel problems, or whatever problems may come to the attention of the board of directors.

I believe that through the use of district advisory boards, made up of grower members who are not on the board of directors, you get a greater sense of participation on the part of more of your members. They feel that they are actually becoming a part of your management team and in this way considerable strength is contributed to internal workings of your association.

Finally, I feel that one of the most important things needed to maintain the strength of your association is to have the widest possible source of information about the economic problems of the commodity which is handled by your association. In the first place, the best possible use of this economic information will enable the association to get the best possible price for the commodity which the association is marketing. Also, it is extremely important that as wide a range of economic information as is possible to obtain be used for the future planning of any bargaining cooperative. Certainly if we are going to do the type of planning that is essential for the growth of any bargaining association, we must make very comprehensive use of all the available data as it may affect our particular association. Your members are going to be much better informed; they are also going to watch your management to see how well they make use of economic information in establishing a price for their commodities; and certainly this is after all what all bargaining associations are interested in -- the best possible return for the commodity you have to sell.

I think if I were to sum up how best to strengthen an association, I would say it would be through the word "knowledge". In other words, if

you keep your association membership well informed, and if management also keeps itself well informed as to its economic position, then I think you will find that the strength of your association will be almost automatic.

PANEL: STRENGTHENING THE MARKET POSITION OF BARGAINING COOPERATIVES

The Role of Federal Marketing Orders

Floyd F. Hedlund, Deputy Director
Fruit and Vegetable Division, Agricultural Marketing Service, USDA
Washington, D. C.

Marketing agreements and marketing orders have been operating in the United States for nearly 25 years. Many programs have been started ; many have dropped by the wayside. They have had their ups and downs, are popular in some areas and with some producers, are rejected by others. Generally speaking, the types of activity and methods of regulation under marketing orders have been expanded over the years by amendments and interpretation by court decisions. Today there are 35 marketing agreement programs in effect for fruits and vegetables covering 20 States and 27 commodities.

For fruits and vegetables there is no statutory authority in the Federal Agricultural Marketing Agreement Act to fix or regulate prices. The only regulations authorized are those governing the control of grade, size, quality, maturity, quantity, and pooling or surplus control of the commodities concerned. In addition, regulations may be undertaken for pack and containers and for engaging in research and development work. Inasmuch as there is no authority to regulate price, and no authority for bargaining, per se, marketing orders in and of themselves are likely to be of little use to bargaining organizations. The operation of marketing orders may be a valuable adjunct to an improved marketing program. The California cling peach industry has operated a marketing order as well as engaged in bargaining.

In the bargaining picture, the concern seems to be primarily with bargaining with processors. Of the 20 odd bargaining cooperatives in the fruit and vegetable industry, all are involved in bargaining for price or services with canners or freezers. The Agricultural Marketing Agreement Act contains no authority for regulating commodities for canning and freezing (with limited exceptions); therefore, marketing orders in this area are not available. There have been many attempts over the past 20 years to amend the Federal Act to include fruits and vegetables for canning and freezing, but such attempts have failed.

Marketing orders may be issued for olives and asparagus for canning or freezing and for grapefruit under certain limited conditions. Proposed amendments to the Act to include cranberries in this category are now before Congress. Several States have enacted authority for marketing orders and some of these, notably California, contain authority for the regulation of processed fruits and vegetables.

While there has been a great deal of interest and some agitation concerning the regulation of fruits and vegetables for canning and freezing,

apparently little attention has been given to what would be done under such a program. It seems to me that if this matter is to be pursued, further, attention should be given to working out not only the general objectives of such a program but some of the details of how operations would be undertaken. Many proponents of marketing order programs have the idea or the hope that through the operation of a marketing order coordination can be obtained among all producing areas. It seems doubtful that it would be possible to include any extended production area under such a program because of the differences in seasons, differences in varieties, differences in type of product, and differences in outlets of the commodity. We have found it extremely difficult to obtain any high degree of coordination between areas producing the same type, and even the same variety, of a commodity for the fresh market.

It has been said that one of the objectives of obtaining marketing orders for the purpose of bargaining is to force all producers into the program and thereby require support from 100 percent of the industry. Cooperation cannot always be obtained through this type of operation. Marketing orders are rather widely used in the Dominion of Canada where price fixing and the like can be engaged in on an industry-wide compulsory basis. Apparently it is very popular and well accepted in some areas; not so popular in other areas. I think it can be said that the Canadians are more accustomed to, and sympathetic with, regulation than are producers in the United States.

In the final analysis, it seems to me that, to engage in bargaining activities on a successful basis, a good measure of education is required. Not only is it essential that producers understand and accept the objectives of such a program, but they must be so imbued with the idea and attributes of the bargaining system as to stay hitched irrespective of the enticements to do otherwise. Bargaining requires real missionary work on behalf of the producer leaders, and zeal and enthusiasm to sell the program on the basis of its value to producers.

PANEL: STRENGTHENING THE MARKET POSITION OF BARGAINING COOPERATIVES

Processing Activities

Earl Blaser, Chairman of the Board
California Cannery and Growers, Inc.
San Francisco, Calif.

This is not one of the old pro's, but a farmer from the Sacramento Valley of California, who is considerably more at ease on a tractor, or a harvester, than trying to give a talk to you men. I'm supposed to talk about ways that bargaining cooperatives may enter processing activities directly or indirectly. I'd like to turn from that subject for a few moments to discuss some ideas that I believe are behind that trend. There is nothing particularly different about this talk, but I believe it points out a rather necessary trend -- one we should take a good look at to see that it continues in the right direction and that it is based on good business principles.

The tightening need for efficiencies and economies, to offset the narrowing margins of farmer incomes, is perhaps the underlying cause for this changing character of the farm picture.

So what do we do about it as farmers? First, we take a look at our own farm operations. We diversify for spread of risk; make better use of men and machinery; do better jobs of bookkeeping to better use our money. We plant better varieties; we get more scientific in our farming; use more and better fertilizers. All these to help increase, or at least hold our own, in the net profit column. Finally, we arrive at the point where we do all the things we can do practically but our profits are still not satisfactory. What is our next move?

Our next move is to consolidate our resources and abilities into the formation of cooperative bargaining associations. By combining our products under good management, and through grower education of the problems of the industry, we strive to receive the highest possible return from the processors that is in keeping with all of the economics involved. However, that return may not always be an amount that will justify the investment and risks that a farmer must take. So, we take another look to see if there is any other way we can pick up additional needed margins.

We pick up newspapers, trade magazines, the Wall Street Journal. What's going on? Mergers and integration of interests; small companies merging into large companies; different types of business merging to spread risk; different types of companies integrating -- all aimed to improve flows of supplies, raw products and finished products, and to improve the profit picture. So, let's take a look at the effect it's having on the farm interests.

We look at the trend of vertical integration, as in the poultry industry, and find the idea is accepted that this trend is real and is due to our economy and not to politics. What about the fears of it resulting in loss of farmer controls? I believe that associations can be formed in the various phases of vertical integration to make use of the proven efficiency of integration without giving up producers' rights to have a voice in decisions affecting their economy. This is a way we can take indirectly toward participating in processing activities.

The other way, and one which I believe better applies to us as peach growers, is for a bargaining association to take an active part in organizing a processing co-op. I say this because I feel that only through the efforts and by capital contributions of farmers in forming processing cooperatives do the farmers themselves have a real part in determining the final destiny of their particular commodity in the agricultural picture.

Bargaining associations, as such, frequently assume price-making responsibilities for a commodity in an area or region. They have as their basic objective bringing about the highest possible return to the members and growers of the commodity, justified by economic conditions, supply, and demand.

We assume that this price-making responsibility should not preclude the opportunity for those growers who wish to do so to enter into integrated cooperative activities. Frequently the bargaining association brings price stability into the market. With price stability may come better earning opportunities for first and second handlers of the commodity. Under these conditions, processing cooperatives may flourish.

I believe it is the responsibility, under these circumstances, for the bargaining associations to take the lead in developing and sponsoring well managed and well organized processing cooperatives. Unfortunately, not all processing cooperatives already organized have seen fit to cooperate closely with bargaining associations. Processing cooperatives have not, in all cases, assumed their fair share of the costs and responsibility of price-making for their members.

By organizing a processing cooperative the bargaining association assures the cooperative processing association it will assume its full share of the responsibility and cost of price-making. A well managed and well organized cooperative processing association likewise adds to the price stability for the commodity and thus should strengthen the general market position of the bargaining association. These basic concepts are what led the California Canning Peach Association to sponsor California Canners and Growers, called Cal-Can.

What Is Cal-Can and How Was It Formed?

Cal-Can grew out of grower pressure on the board of directors of the California Canning Peach Association over a period of about 3 years. Finally, the board appropriated a substantial amount of money to do some

research on processing possibilities. After considerable exploration of economic data on canning operations, it became clear to us that the only practical and economical way was not to think of new facilities, or a one commodity operation, but to think in terms of purchasing a full-line well established cannery or canneries, with a good record of earnings in distribution, and plants, and good personnel.

Our next move was to contact other commodity groups that would be a part of this full-line operation to see if they had the interest to go along with this move. As their interest was evidenced, we next had to form an acting body with some authority to negotiate and confer with cannery people. We incorporated as California Cannery and Growers with a board composed of 20 growers of various commodities and 5 members at large.

Our next move, and one which I believe is vital to the eventual success, was to acquire the best services that we could in the field of accounting and business law to compile past earning records and project future earning records of these canners. This would help us in determining the value of their assets, so that we could fit the purchase price into our requirements of a 7 - to 10 - year pay out. This area, we believe, will be the key to our success because, unless this is put together on a sound, conservative basis of projections and acquisition values, we will not be able to build up and maintain grower support.

We are now at the stage of studying these records and projections and analyzing the prospects of putting together a plan to negotiate with the canner or canners that will result in California Cannery and Growers becoming an actual operating concern. To some people, it may seem that we are moving ahead at a snail's pace. But, to us it seems a lot more important not to have to work to a deadline of time, but rather to a deadline of putting together a sound, conservative operation.

Growers of various commodities in addition to cling peaches are required to post an initial investment equal to 15 percent of the 1957 value of the commodity. This money is a down payment then for the purchase of the stock of the companies. The balance will be paid for over a period of years. The balance of the down payment required is secured through a first mortgage on the facilities with the seller assuming a second mortgage position.

The value of the companies is ascertained by a combination of three factors:

1. Ability of the company to pay out from earnings within a 7 - to 10 - year period, based upon past experience.
2. Appraisals of the real and depreciable assets.
3. The company's cost per case of capacity compared to industry averages.

The project affords excellent capital gain prospects to the seller and enables farmers to get into cooperative processing with established markets and experienced personnel from the beginning. We expect the project to be successful.

The reason for this confidence is that we will have spent in excess of \$50,000 on research and evaluation of the project before ever making a purchase. We have had engineering studies, economic studies, and a careful analysis made along every step of the way. We have been told by experts that this has been the most carefully worked out project ever gone into by a new cooperative. The reason this has come about is that an experienced and well managed bargaining association undertook to work out the plan and carry on the responsibilities of sponsorship.

In our case, the peach association will form a processing pool for those growers who wish to take the advantages and share the responsibilities that are attendant upon a processing venture. The bargaining association will continue to be in business and will market a portion of its members' fruit to the new cooperative, with the balance to regular commercial processors.

We intend that the bargaining association shall continue to be the dominant factor in representing producers in price-making for canning cling peaches in California.

RESOLUTION OF APPRECIATION
MADE AT THE SECOND NATIONAL
CONFERENCE ON FRUIT AND VEGETABLE BARGAINING COOPERATIVES

Shamrock Hilton Hotel, Houston, Texas
January 5, 1958

BE IT RESOLVED: That the participants in this Second National Conference on Fruit and Vegetable Bargaining Cooperatives express their appreciation to the Secretary of Agriculture, Ezra Taft Benson, for the assistance given by Joseph G. Knapp, Administrator of the Farmer Cooperative Service, and members of his staff, in arranging and conducting this Conference.

BE IT FURTHER RESOLVED: That the Farmer Cooperative Service be requested to arrange and conduct another such Conference in 1959.

BE IT FURTHER RESOLVED: That their appreciation be expressed to Homer L. Brinkley, Executive Vice-President of the National Council of Farmer Cooperatives, and members of his staff, for their assistance and cooperation.

BE IT FURTHER RESOLVED: That a copy of this resolution be forwarded to the Secretary of Agriculture and to the Executive Vice-President of the National Council of Farmer Cooperatives.

This resolution was made by Ralph B. Bunje, Manager of the California Canning Peach Association, Inc., San Francisco, Calif.; seconded by A. W. Matthews, Acting Secretary-Manager, Cannery Growers, Inc., Maumee, Ohio; and passed unanimously.

LIST OF FRUIT AND VEGETABLE BARGAINING COOPERATIVES
(as of January 1, 1958)

Fruit Bargaining Cooperatives

1. California Canning Peach Association
Ralph B. Bunje, Manager
244 California Street
San Francisco 11, Calif.
2. California Canning Pear Association
Cameron Girton, Manager
64 Pine Street
San Francisco 11, Calif.
3. California Freeston Peach Association
Charles J. Telford, Manager
422 Fifteenth Street
Modesto, Calif.
4. Great Lakes Cherry Producers Marketing Cooperative
B. I. Freeman, Manager
Traverse City, Mich.
5. Growers Processing Apple Association of Appalachia
Fred C. Matson, Committee Member
Martinsburg, W. Va.
6. Kadota Fig Growers Association
V. E. Scott, Manager
P. O. Box 26
Planada, Calif.
7. Michigan Processing Apple Growers Association
E. W. Mawby, President
Rockford, Mich.
8. Northwest Berry Growers Association
Herbert Stiener, President
Beavercreek, Oregon
9. Pacific Northwest Cherry Growers Association
Ralph Kirby, President
11 South Seventh Street
Yakima, Wash.
10. Pacific States Canning Pear Marketing Association
Vern Stockwell, President
Wenatchee, Wash.

11. Puyallup Valley Berry Growers Association
Joachim L. Girard, Manager
P. O. Box 25
Sumner, Wash.
12. Washington Freestone Peach Association
A. J. Anderson, Manager
P. O. Box 2056
Yakima, Wash.
13. Washington-Oregon Canning Pear Association
Clay Whybark, Manager
202 Holtzinger Building
Yakima, Wash.
14. Western New York Apple Growers Association
Fred P. Corey, Executive Secretary
272 Alexander Street
Rochester, N. Y.

Vegetable Bargaining Cooperatives

1. California Tomato Growers Association
John P. Wetzel, President
145 South American Street
Stockton, Calif.
2. Cannery Growers, Inc.
A. W. Matthews, Acting Secretary-Manager
Box 63
Maumee, Ohio
3. Cash Crops Cooperative
Oscar Eis, President
282 Forest Avenue
Fond du Lac, Wis.
4. Iowa-Illinois Cannery Growers' Cooperative
Herbert Ovesen, President
Wilton Junction, Iowa
5. Michigan Asparagus Growers Cooperative Association
P. J. Sikkema, Manager
P. O. Box 248
Lawrence, Mich.
6. New Jersey Sweet Potato Committee
(composed of representatives of 6 New Jersey marketing
cooperatives)
Southern N. J.

7. New Jersey Vegetable Growers Cooperative Association
F. Rene Gossiaux, Jr., Manager
168 West State Street
Trenton, N. J.
8. New York Canning Crop Growers Cooperative
William Stempfle, Manager
Box 290
Batavia, N. Y.
9. Northampton Marketing Cooperative
D. P. Custis, President
Nassawadox, Va.
10. Northwest Washington Farm Crops Association
Ace N. Garlinghouse, Executive Secretary
621 West Division
Mount Vernon, Wash.
11. Oregon-Washington Pea Growers Association
Don Webber, President
Athena, Oreg.
12. Shiocton Bargaining Cooperative
Marvin Knoke, President
Shiocton, Wis.
13. Utah State Canning Crops Association
A. W. Chambers, Secretary-Manager
173 South Main Street
Logan, Utah
14. Vegetable Committee of the Delaware Farm Bureau
C. Fred Fifer, Chairman
Wyoming, Del.
15. Washington Asparagus Growers Association
A. J. Anderson, Manager
P. O. Box 2056
Yakima, Wash.
16. Washington Pea Growers Association
R. T. Mogleby, Manager
Box 615
Walla Walla, Wash.



